

# Redacted for Public View

532371or

"CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

# Redacted for Public View

532371or112

"CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

# Redacted for Public View

532371or112

"CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

# Redacted for Public View

532371or112

"CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."

# Redacted for Public View

NETWORK IMPROVEMENT PROJECTS-PROGRESS REPORT  
AS OF 2015 ANNUAL REPORT SUBMISSION - JULY 1, 2015

532371or112

"CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-135, 05-337, 03-109, 14-58, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION."



## CASCADE UTILITIES, INC.

PO Box 189 Estacada, Oregon. 97023  
Fax (503) 630-8934  
Phone (503) 630-4202

### Consumer Protection

**Cascade Utilities, Inc.** complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

### Service Quality Standards

#### Voice

**Cascade Utilities, Inc.** complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules **860-034-0390**, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

#### Broadband

**Cascade Utilities, Inc.** complies with the service standards as noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers..





## CASCADE UTILITIES, INC.

PO Box 189 Estacada, Oregon. 97023  
Fax (503) 630-8934  
Phone (503) 630-4202

Cascade Utilities is able to remain functional in an emergency situation. Please see the specific information below in regard to back-up power, ability to reroute traffic around damaged facilities, and the capability to manage traffic spikes resulting from emergency situations.

### Back-up Power

**Cascade Utilities, Inc.** has the following back-up power capabilities:

Switches – stand alone and/or host

# Redacted for Public View

### Ability to reroute traffic around damaged facilities:

**Cascade Utilities, Inc.** has built redundant facilities between its exchanges and to its connecting company toll tandem. This redundant facility is in the form of a SONET ring with alternate physical facilities between **Cascade Utilities, Inc.** and **Beaver Creek Telephone, Qwest/CenturyLink, Frontier Communications**, its interconnection to the Public Switched Telephone Network. **Cascade Utilities, Inc.** has built two independent facilities between **Clear Creek Communications** and **Comcast** to transport broadband services to the assigned Internet Service Provider.

### Capability to manage traffic spikes resulting from emergency situations

#### **Estacada, Corbett, Haines**

**Cascade Utilities, Inc.** has 5982 customers, switching capacity of 6775 simultaneous calls, and transport capacity for 1385 simultaneous calls. **Cascade Utilities, Inc.** also serves 4158 broadband customers for one ISP. **Cascade Utilities, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

#### **Elkton**

**Cascade Utilities, Inc.** has 608 customers, switching capacity of 184 simultaneous calls, and transport capacity for 96 simultaneous calls. **Cascade Utilities, Inc.** also serves 410 broadband customers for one ISP. **Cascade Utilities, Inc.** takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

(700) Price Offerings Including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	532371
<015>	Study Area Name	CASCADE UTIL INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Summer McPherson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5036308977 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mcphersons@cuaccess.net

<701>	Residential Local Service Charge Effective Date	1/1/2015
<702>	Single State-wide Residential Local Service Charge	

<703>

[illegible]



(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	532371
<015>	Study Area Name	CASCADE UTIL INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Summer McPherson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5036308977 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mcpersons@cuaccess.net

<711>	<a1>	<a2>	<b1>	<b2>	<c>	<d1>	<d2>	<d3>	<d4>
	State	Exchange (ILEC)	Residential Rate	State Regulated Fees	Total Rates and Fees	Broadband Service - Download Speed (Mbps)	Broadband Service - Upload Speed (Mbps)	Usage Allowance (GB)	Usage Allowance Action Taken When Limit Reached (select)
	OR	Estacada	27.95	0.0	27.95	0.5	0.5	999999	Other, No Data Caps
	OR	Estacada	37.95	0.0	37.95	3.0	0.5	999999	Other, No Data Caps
	OR	Estacada	42.95	0.0	42.95	6.0	1.0	999999	Other, No Data Caps
	OR	Estacada	49.95	0.0	49.95	9.0	1.0	999999	Other, No Data Caps
	OR	Estacada	56.95	0.0	56.95	12.0	1.0	999999	Other, No Data Caps
	OR	Corbett	27.95	0.0	27.95	0.5	0.5	999999	Other, No Data Caps
	OR	Corbett	37.95	0.0	37.95	3.0	0.5	999999	Other, No Data Caps
	OR	Corbett	42.95	0.0	42.95	6.0	1.0	999999	Other, No Data Caps
	OR	Corbett	49.95	0.0	49.95	9.0	1.0	999999	Other, No Data Caps
	OR	Corbett	56.95	0.0	56.95	12.0	1.0	999999	Other, No Data Caps
	OR	Elkton/Ash Valley	42.95	0.0	42.95	6.0	1.0	999999	Other, No Data Caps
	OR	Elkton/Ash Valley	49.95	0.0	49.95	9.0	1.0	999999	Other, No Data Caps
	OR	Elkton/Ash Valley	56.95	0.0	56.95	12.0	1.0	999999	Other, No Data Caps
	OR	Haines/Medical Springs	42.95	0.0	42.95	3.0	1.0	999999	Other, No Data Caps
	OR	Haines/Medical Springs	49.95	0.0	49.95	6.0	1.0	999999	Other, No Data Caps
	OR	Haines/Medical Springs	56.95	0.0	56.95	9.0	1.0	999999	Other, No Data Caps
	OR	Estacada	66.95	0.0	66.95	15.0	3.0	999999	Other, No Data Caps
	OR	Estacada	76.95	0.0	76.95	20.0	10.0	999999	Other, No Data Caps
	OR	Estacada	86.95	0.0	86.95	40.0	20.0	999999	Other, No Data Caps
	OR	Estacada	96.95	0.0	96.95	60.0	30.0	999999	Other, No Data Caps
	OR	Corbett	66.95	0.0	66.95	15.0	3.0	999999	Other, No Data Caps

(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

OMB Control No. 3050-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	532371
<015>	Study Area Name	CASCADE UTIL INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Summer McPherson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5036308977 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mcphersons@cuaccess.net

[illegible]

(800) Operating Companies  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	532371
<015>	Study Area Name	CASCADE UTIL INC
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Summer McPherson
<035>	Contact Telephone Number - Number of person identified in data line <030>	5036308977 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	mcpersons@cuaccess.net

<810>	Reporting Carrier	Cascade Utilities, Inc.
<811>	Holding Company	Day Management Corporation
<812>	Operating Company	Reliance Connects

[illegible]



#### **54.313 Lifeline customers MOU and additional toll charges**

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Cascade Utilities Inc., subscriber, are free to choose their own toll usage plans through IXC that serves Cascade Utilities, Inc.

---

## **Oregon Telephone Assistance Program (OTAP)/Lifeline Application**

**Oregon Public Utility Commission**  
PO Box 2148, Salem OR 97308  
**1-800-848-4442 or 503-373-7171**  
1-800-648-3458 (TTY)  
971-239-5845 (Videophone)  
Fax: 1-877-567-1977 or 503-378-6047  
[puc.rspf@state.or.us](mailto:puc.rspf@state.or.us)

**You may qualify if you participate in one of the following programs:**

**Supplemental Nutrition Assistance Program; Food Stamps (SNAP)**  
**Supplemental Security Income (SSI)**  
**Temporary Assistance for Needy Families (TANF)**  
**National School Lunch Program; *Free Lunch Program Only* (NSLP)**  
**Certain State Medical Programs or Certain Medicaid Programs**  
**at or below 135% of the federal poverty guidelines**

**How to apply:** To apply for this program or obtain more information, please contact the OTAP staff at 1-800-848-444. Or you may complete an application online at: [www.rspf.org](http://www.rspf.org)

# Oregon Telephone Assistance Program (OTAP)/Lifeline Application

You may complete an OTAP/Lifeline application online at: [www.rspf.org](http://www.rspf.org)

Oregon Public Utility Commission

PO Box 2148, Salem OR 97308

1-800-848-4442 or 503-373-7171

1-800-648-3458 (TTY)

971-239-5845 (Videophone)

Fax: 1-877-567-1977 or 503-378-6047

[puc.rspf@state.or.us](mailto:puc.rspf@state.or.us)

Please **PRINT** clearly and **SIGN** on page 2.

*If you have a situation that prevents you from providing certain information, please contact us for assistance.*

Applicant's Legal Name (Last, First, M.I.) (Applicant's legal name <b>MUST</b> be on phone bill)		Applicant's Social Security No.		Applicant's Birth Date	
		- -		/ /	
Applicant's Home Address	Is this a temporary address? <input type="checkbox"/> Yes <input type="checkbox"/> No	Apt. #	City	State OR	ZIP
Applicant's Mailing Address (if different from your home address)		Apt. #	City	State OR	ZIP
Applicant's Phone Company (As listed on page 3)	Applicant's Phone Number ( ) -		Applicant's E-mail Address		

I participate in the following qualifying programs (Check any that apply):

- ☐ **SNAP** (Supplemental Nutrition Assistance Program; Food Stamps)
- ☐ **SSI** (Supplemental Security Income)
- ☐ **TANF** (Temporary Assistance for Needy Families)
- ☐ **Certain State Medical Programs or Certain Medicaid Programs**  
at or below 135% of the federal poverty guidelines

Supporting documentation is required for the following program:

- ☐ **NSLP\*** (National School Lunch Program; *Free Lunch Program Only*)  
\*Please provide a copy of the official letter from your school district indicating your current participation.

Please continue to page 2 ➡



**Please completely READ and SIGN this form that indicates you understand and agree to comply with the following Oregon Telephone Assistance Program (OTAP)/Lifeline rules:**

- I understand that completing this application does not immediately approve me for the OTAP/Lifeline benefit. I will be notified in writing of my application status.
- I understand it may take 30-90 days for the phone company to apply the OTAP/Lifeline benefit to my phone bill.
- I give the Oregon Public Utility Commission (PUC) authority to obtain or review any required records needed to confirm my statements and to confirm that I qualify for the OTAP/Lifeline. I also authorize the phone company to release any required records for my OTAP/Lifeline benefit.
- I am head of household and no one else in my household receives landline or wireless OTAP/Lifeline service.
- I understand that the OTAP/Lifeline credit is only allowed for **ONE PHONE LINE PER HOUSEHOLD**
  - A household is defined as any persons who live together at the same address and share income and expenses.
- I understand that if I break or violate the one-per-household rule I will no longer qualify for the OTAP/Lifeline program.
- I agree to let the PUC know within 30 days if:
  - I no longer qualify for the OTAP/Lifeline benefit
  - I no longer take part in a qualifying program
  - I receive more than one OTAP/Lifeline benefit
  - Another member of my household is also receiving the OTAP/Lifeline benefit
- I understand that I have 30 days to notify the PUC if I no longer qualify for the OTAP/Lifeline benefit or I may be removed from the program.
- I agree to notify the PUC of address changes within 30 days of moving.
- I understand that my OTAP/Lifeline benefit may not be transferred or given to any other person.
- I understand that I may be required to confirm that I still qualify for the OTAP/Lifeline benefit at any time and that, if I do not comply, my OTAP/Lifeline benefits will stop.
- I understand that OTAP/Lifeline is a state and federal benefit and willfully making false statements or providing false or fraudulent documents to obtain the benefit is punishable by law and can result in fines, imprisonment, disqualification or being permanently removed from the program.

**By signing this application I certify under penalty of perjury that the information contained in this application is true and correct and that I meet the eligibility criteria for the OTAP/Lifeline benefit.**

Applicant Signature \_\_\_\_\_

Print Name \_\_\_\_\_ Date \_\_\_\_\_

**Please Mail Application to: PUC, PO Box 2148, Salem OR 97308  
or Fax to: 1-877-567-1977 or 503-378-6047**

**Do you have questions? Call us at 1-800-848-4442 or 503-373-7171**

# **Oregon Telephone Assistance Program (OTAP)/Lifeline Application**

You may complete an OTAP/Lifeline application online at: [www.rspf.org](http://www.rspf.org)

**Oregon Public Utility Commission**  
PO Box 2148, Salem OR 97308  
1-800-848-4442 or 503-373-7171  
1-800-648-3458 (TTY)  
971-239-5845 (Videophone)  
Fax: 1-877-567-1977 or 503-378-6047  
[puc.rspf@state.or.us](mailto:puc.rspf@state.or.us)

The Oregon Public Utility Commission (PUC) manages the Oregon Telephone Assistance Program (OTAP), also known as Lifeline. If you qualify, this federal and state government assistance program reduces your monthly phone bill by \$12.75.

**You may qualify if you participate in one of the following programs:**

- **Supplemental Nutrition Assistance Program; Food Stamps (SNAP)**
- **Supplemental Security Income (SSI)**
- **Temporary Assistance for Needy Families (TANF)**
- **National School Lunch Program; *Free Lunch Program Only* (NSLP)**
- **Certain State Medical Programs or Certain Medicaid Programs at or below 135% of the federal poverty guidelines**

## **Landline phone companies that provide the OTAP/Lifeline benefit:**

Asotin	Frontier	Nehalem	Roome Tel Com
Beaver Creek	Gervais	North State	Scio Mutual
Canby Co-Op	Helix	Oregon Tel. Corp.	St. Paul
CenturyLink	Home/TDS	Oregon/Idaho	Stayton Co.
Clear Creek	Molalla	People's	Warm Springs
Colton	Monitor	Pine Phone Co.	
ComSpan	Monroe	Pioneer	
Eagle	Mt. Angel	Reliance Connects	

## **Wireless phone companies that provide the OTAP/Lifeline benefit:**

AT&T Mobility* -in select areas	Cricket	Snake River PCS	US Cellular
---------------------------------	---------	-----------------	-------------

**The OTAP/Lifeline benefit cannot be applied to Pay-As-You-Go Plans.**

\*AT&T Mobility only offers the OTAP/Lifeline benefit in select areas.  
Call 1-800-377-9450 to determine if the OTAP/Lifeline benefit is offered in your coverage area.



**CASCADE UTILITIES, INC.**

PO Box 189 Estacada, Oregon. 97023  
Fax (503) 630-8934 Phone (503) 630-4202

Attachment for Line 3010

July 1, 2015

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

**Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient  
54.313(f)(1) "Milestone Certification"**

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that Cascade Utilities, Inc.:

Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 4 Mbps downstream/1 Mbps Upstream;  
Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;  
Those reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 503-630-8940.

Sincerely,

Brenda C. Crosby  
President

532371or3010





**CASCADE UTILITIES, INC.**

PO Box 189 Estacada, Oregon. 97023  
Fax (503) 630-8934  
Phone (503) 630-4202

**ANCHOR INSTITUTIONS WITHIN CASCADE UTILITIES, INC. TERRITORY**

**In compliance with 54.313(f)(1).**

Access to broadband services was available prior to 2014 to all known anchor institutions. All requests for broadband services, and speed, were fulfilled in 2014. Cascade Utilities, Inc. continues to monitor customer demand and technological innovation, planning to size its network in anticipation of requests for higher speed broadband services. Cascade Utilities, Inc. was able *to offer improved* broadband services and speeds in 2014 to the following anchor institutions.

- |                               |   |
|-------------------------------|---|
| 1. Elkton High School         | 739 River Dr. Elkton, OR 97436          |
| 2. Elkton Grade School        | 15656 OR-38, Elkton, OR 97436           |
| 3. Haines Public Library      | 818 Cole St, Haines, OR 97833           |
| 4. Scottsburg Fire Department | 33237 St. Hwy. 38, Scottsburg, OR 97473 |

Anchor institutions include the following:

- Schools
- Libraries
- Colleges and other institutions of higher education
- Medical and healthcare providers
- Other community support organizations



CPAS AND BUSINESS CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Cascade Utilities, Inc. and Subsidiary  
Estacada, Oregon

We have audited the accompanying consolidated financial statements of Cascade Utilities, Inc. and Subsidiary (the Company), which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cascade Utilities, Inc. and Subsidiary at December 31, 2014 and 2013, and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

680 HAWTHORNE AVENUE SE, #140, SALEM, OR 97301

PHONE: 503.585.7774 FAX: 503.364.8405

532371or3017 PORTLAND, OR | SALEM, OR | CARLSBAD, CA | ESCONDIDO, CA | SAN DIEGO, CA | ANCHORAGE, AK  
AKT LLP



**Report on Consolidating Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the accompanying schedules is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated April 16, 2015, on our consideration of Cascade Utilities, Inc. and Subsidiary's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cascade Utilities, Inc. and Subsidiary's internal control over financial reporting and compliance.

*AKT LLP*

Salem, Oregon  
April 16, 2015

**CASCADE UTILITIES, INC. and SUBSIDIARY****Consolidated Balance Sheets**

December 31, 2014 and 2013

**ASSETS**20142013

## Current Assets:

Cash and cash equivalents  
 Marketable securities  
 Accounts receivable  
 Accounts receivable, related parties  
 Interest and dividends receivable  
 Materials and supplies  
 Income taxes receivable  
 Prepaid expenses

Total Current Assets

## Other Assets and Investments:

Notes receivable  
 Notes receivable, related parties  
 Other assets  
 Prepaid pension cost  
 Marketable securities  
 Investments  
 Goodwill

Total Other Assets and Investments

## Property, Plant, and Equipment:

Telecommunications  
 Under construction

Less accumulated depreciation

Telecommunications, net

Cable television property, net

Nonregulated property, net

Property, Plant, and Equipment, net

# Redacted for Public View

**LIABILITIES AND STOCKHOLDERS' EQUITY**20142013**Current Liabilities:**

Current portion of long-term debt  
 Accounts payable  
 Accrued expenses  
 Income taxes payable  
 Customer deposits  
 Advance billings  
 Deferred income tax

Total Current Liabilities

**Long-Term Liabilities:**

Long-term debt  
 Deferred income tax

Total Long-Term Liabilities

Total Liabilities

**Stockholders' Equity:**

Common stock, authorized 1,000,000  
 104,025 shares issued and outstandi  
 Retained earnings  
 Accumulated other comprehensive in

Total Stockholders' Equity

# Redacted for Public View

**CASCADE UTILITIES, INC. and SUBSIDIARY****Consolidated Statements of Income**

Years Ended December 31, 2014 and 2013

	2014	2013
Operating Revenues:		
Local network services		
Network access services		
Miscellaneous operating		
Uncollectible revenues		
Total Operating Revenues		
Operating Expenses:		
Plant specific		
Plant nonspecific		
Customer		
Corporate		
Depreciation and amortization		
Total Operating Expenses		
Operating Taxes:		
Operating income taxes		
Other operating taxes		
Total Operating Expense and Tax		
Operating Income		
Other Income (Expense):		
Nonoperating income and expense		
Interest expense		
Nonregulated operations, net		
Cable television, net		
Nonregulated income taxes		
Nonoperating income taxes		
Total Other Income		
Net Income		

Redacted  
for Public  
View



**CASCADE UTILITIES, INC. and SUBSIDIARY****Consolidated Statements of Cash Flows**

Years Ended December 31, 2014 and 2013

	2014	2013
<b>Cash Flows from Operating Activities:</b>		
Net income		
Adjustments to reconcile net income to provided (used) by operating activities:		
Regulated depreciation and amortization		
Nonregulated depreciation		
Income from equity method investments		
Change in deferred income tax		
Amortization of bond premium		
Realized loss (gain) on sale of marketable securities		
Realized gain on sale of investment		
Accrued pension benefit		
Changes in assets and liabilities:		
Accounts receivable		
Accounts receivable, related parties		
Interest and dividends receivable		
Materials and supplies		
Income taxes receivable and payable		
Prepaid expenses		
Accounts payable		
Accrued expenses		
Customer deposits		
Advance billings		
Net Cash Provided (Used) by Operating Activities		
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures		
Purchase of investments and marketable securities		
Proceeds from investments and marketable securities		
Proceeds from notes receivable		
Proceeds from notes receivable, related parties		
Issuances of notes receivable		
Issuances of notes receivable, related parties		
Distributions received from investments		
Change in other assets		
Net Cash Used by Investing Activities		



**CASCADE UTILITIES, INC. and SUBSIDIARY**  
**Consolidated Statements of Cash Flows, continued**  
**Years Ended December 31, 2014 and 2013**

---

	2014	2013
Cash Flows from Financing Activities:		
Proceeds from long-term debt		
Payments on long-term debt		
Proceeds from ARRA BIP grant		
Dividends paid		
Net Cash Provided by Financing Activities		
Net Change in Cash and Cash Equivalents		
Cash and Cash Equivalents, beginning		
Cash and Cash Equivalents, ending		
Cash Paid During the Year for Taxes		
Cash Paid During the Year for Interest		
Noncash Activities:		
Additions to property, plant and equipment included in accounts payable		

Redacted  
for Public  
View

**CASCADE UTILITIES INC. and SUBSIDIARY****Notes to the Consolidated Financial Statements**

Years Ended December 31, 2014 and 2013

**Note 8 - Long-Term Debt**

Long-term debt consists of the following:

# Redacted for Public View

The long-term debt agreement contains restrictions on the payment of dividends and terms also require the maintenance of defined equity and meeting certain financial ratios.

Future maturities of long-term debt are as follows:

2015  
2016  
2017  
2018  
2019  
Thereafter

# Redacted for Public View

**Note 9 - Income Taxes**

The provision for income taxes differs from the amount computed by applying the current statutory federal and state income tax rates to earnings before income taxes due to the effects of state taxes, non-deductible items, prior year over or under accruals, and the use of accelerated depreciation for tax purposes.

Deferred taxes in the accompanying balance sheets include the following components at December 31:

	2014	2013
Current:		
Prepaid expenses		
Accrued expenses		
Noncurrent:		
Depreciation		
Pension obligation		
Unrealized gain/loss, net		

# Redacted for Public View